

Message Text

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SUBJECT: GLOBAL MARKET RESEARCH: ELECTRIC ENERGY SYSTEMS,
REPUBLIC OF CHINA

REF: STATE A-816 OF 1/8/75

SUMMARY: FOUR FIRMS INVITED TO BID SUBMITTED PROPOSALS
FOR SUBJECT RESEARCH. BIDS RANGED FROM \$US3,690 TO \$US2,400.
POST RECOMMENDS ACCEPTANCE OF BID BY CHINA CREDIT INFORMATION
SERVICE.

1. FOLLOWING

FIRMS WERE INVITED TO BID ON SUBJECT RESEARCH:
PEAT, MARWICK, MITCHELL & CO. (PMM&CO.); HARVARD MANAGEMENT
SERVICES, INC. (HMS); CHINA CREDIT INFORMATION
SERVICE, LTD.(CCIS); AND MANAGEMENT CONSULTANTS CORP.(MCC).
EACH FIRM'S PROPOSED NUMBER OF INTERVIEWS AND PROJECTED COSTS
ARE OUTLINED BELOW.

FIRM	COSTS	INTERVIEWS
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A) PMM&CO.	\$US 3,690.00 -- TAIWAN POSER CO.	10-12
	\$NT140,000.00 -- GOVERNMENT OFFICIALS	4-6
	-- SALES REPS/IMPORTERS	7-9

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-- DOMESTIC MANUFACTURERS/

ENGINEERS	5-7
-- OTHER END-USERS	5-10
TOTAL	31-44

B) HMS	\$US 3,105.00	-- MANUFACTURERS	30
	\$NT117,700.00	-- END USERS	58
		-- CONTRACTORS/ENGINEERS	5
		-- GOVERNMENT/ASSOCIATIONS	10
		TOTAL	103

C) CCIS	\$US 2,870.00		
	\$NT109,060.00	-- TAIWAN POWER CO.	OPEN
		-- END USERS	15
		-- MANUFACTURERS	10
		-- ENGINEERING FIRMS	10
		-- SALES REPS/IMPORTERS	10
		-- GOVERNMENT	OPEN
		-- ASSOCIATIONS	OPEN
		-- PUBLICATIONS	OPEN
		TOTAL (ESTIMATED)	55-65

D) MCC	\$US 2,400.00		
	\$NT 91,080.00	-- MANUFACTURERS	8
		-- END USERS	10
		-- GOVERNMENT	13
		-- SALES REPS/IMPORTERS	8
		-- ASSOCIATIONS	5
		TOTAL	44

2. EVALUATION OF BIDS SUBMITTED.

A) PMM&CO.'S PROPOSAL IS WELL PREPARED AND ITS STAFF IS HIGHLY QUALIFIED TO DO THIS RESEARCH. PMM&CO.'S LEAD RESEARCH CONSULTANT WAS FOR 11 YEARS AN EMPLOYEE OF THE TAIWAN POWER CO., THE ROC'S SINGLE POWER MONOPOLY AND POTENTIALLY LARGEST CONSUMER OF MAJOR EQUIPMENT UNDER STUDY. IN NOVEMBER, 1974, PMM&CO. SUCCESSFULLY COMPLETED THE "AIR AND WATER PURIFICATION AND POLLUTION CONTROL EQUIPMENT" GLOBAL MARKET SURVEY FOR ROC. HOWEVER RE CURRENT STUDY, PMM&CO.'S COST ESTIMATE IS SOMEWHAT HIGH FOR NUMBER AND GENERAL DISTRIBUTION OF INTERVIEWS

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PROPOSED AND IS ALSO HIGHEST COST ESTIMATE AMONG BIDDERS.

B) HMS'S PROPOSAL, THOUGH NOT VERY DETAILED, IS A GREAT IMPROVEMENT OVER THOSE PREVIOUSLY SUBMITTED. HOWEVER, NUMBER OF INTERVIEWS PROPOSED GREATLY EXCEEDS NUMBER SUGGESTED IN SPECIFICATIONS. AS MAY BE SEEN ON PAGE 1 OF PROPOSAL, HMS COULD HAVE GREATLY REDUCED ITS BID PRICE HAD IT PROPOSED 30-40 INTERVIEWS INSTEAD OF 110.

C) CCIS'S PROPOSAL IS VERY WELL PREPARED AND CLEARLY REPRESENTS AN IMPROVEMENT OVER THOSE PREVIOUSLY SUBMITTED. IN ITEM 1C ABOVE AND ON PAGE 2 OF THEIR PROPOSAL, CCIS LISTED 45 ACTUAL INTERVIEWS WITH END USERS MANUFACTURERS, ENGINEERING FIRMS AND SALES REPRESENTATIVES/IMPORTERS. HOWEVER, THE FIRM INDICATED VERBALLY TO POST THAT TWENTY ADDITIONAL INTERVIEWS WOULD BE CONDUCTED WITH TAIWAN POWER COMPANY, GOVERNMENT AGENCIES, ASSOCIATIONS AND PUBLICATIONS. THIS WOULD RAISE THE ESTIMATED TOTAL NUMBER OF INTERVIEWS TO 55-65. IN THIS CASE BOTH THE DISTRIBUTION OF INTERVIEWS AND THE TOTAL PROJECT COST ESTIMATE SEEM VERY REASONABLE. FURTHERMORE, FROM THE LIST OF RELATED STUDIES CONDUCTED EARLIER (I.E. ENERGY RESOURCES SURVEY OF TAIWAN, 1974) AND THE QUALIFICATIONS OF SUPERVISORY PERSONNEL TO BE ASSIGNED TO THE PROJECT (I.E. AN ELECTRICAL ENGINEER, A TECHNOLOGY RESEARCH ANALYST, AND A SENIOR CONSULTANT WHO IS CURRENTLY EMPLOYED IN SUPPLY DEPARTMENT OF TAIWAN POWER COMPANY) POST BELIEVES CCIS WOULD HAVE EASY ACCESS TO INFORMATION NEEDED FOR SUBJECT STUDY. ADDITIONALLY CCIS INDICATED EARLIER TO POST ITS INTENTION TO HIRE AMERICAN STAFF TO ASSIST WITH ENGLISH NARRATIVE, A PROBLEM NOTED IN PREVIOUS BID SUMMARY CABLES. AS MAY BE SEEN IN ITEM NO.6; PART VII OF PROPOSAL, SUCH STAFF HAS BEEN HIRED.

D) MCC'S PROPOSAL IS WELL PREPARED AND ITS STAFF IS HIGHLY QUALIFIED TO CONDUCT SUBJECT RESEARCH. MCC IS CURRENTLY CONDUCTING "BUSINESS EQUIPMENT AND SYSTEMS" GLOBAL MARKET SURVEY FOR ROC. ON BASIS OF MID-TERM REPORT AND FREQUENT DISCUSSIONS WITH MCC RESEARCH STAFF, POST FINDS THIS STUDY IS PROGRESSING WELL. MCC'S BID ON SUBJECT STUDY IS LOWEST. ITS NUMBER AND DISTRIBUTION OF PROPOSED INTERVIEWS ARE GOOD IN VIEW OF LOW PROJECT COST ESTIMATE. HOWEVER POST WISHES TO EVALUATE COMPLETED MCC PREPARED "BUSINESS EQUIPMENT AND SYSTEMS"

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GMS BEFORE RECOMMENDING MCC BE AWARDED ADDITIONAL CONTACT FOR SUBJECT GMS. MCC EXPECTED TO COMPLETE RESEARCH STUDY APRIL 25, 1975.

CONCLUSION: POST IS PLEASED WITH EVER IMPROVING QUALITY OF BIDS FROM LOCAL FIRMS. IN VIEW OF CONSIDERATIONS RAISED PARA 2(A)-(D) ABOVE, POST RECOMMENDS THAT COMMERCE AWARD CONTRACT FOR SUBJECT STUDY TO OCCIS.

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